

CERTIFICATION OF ANSWERS TO REQUEST FOR INFORMATION

State of California :

County of San Diego :

I certify under penalty of law that I have personally examined and am familiar with the information submitted in this document (response to EPA Request for Information) and all documents submitted herewith, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete, and that all documents submitted herewith are complete and authentic unless otherwise indicated. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. I am also aware that I am under a continuing obligation to supplement my response to EPA's Request for Information if any additional information relevant to the matters addressed in EPA's Request for Information or my response thereto should become known or available to me.

A. Ricker McCasland

NAME (print or type)

President - Cratex Mfg. Co., Inc.

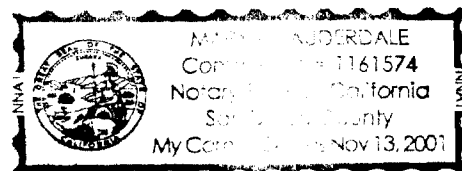
TITLE (print or type)

[Signature]

SIGNATURE

Sworn to before me this 21st
day of AUGUST , 2000

Mary Bauderdale
Notary Public



847080001

ATTACHMENT A

REQUEST FOR INFORMATION

1. In your response to the earlier 104(e) Request for Information, you stated that Cratex had purchased "certain assets" from Brightboy Abrasives, which operated in Newark, New Jersey. Please identify all assets that you purchased from Brightboy Abrasives.
2. Please provide all documents relating to the purchase of these assets, including the sales agreement.
3. Did you purchase the assets prior to, during or after the bankruptcy of Brightboy Abrasives?

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BILL OF SALE

Bill of Sale made February 25, 1991 by Brightboy Abrasives, Inc., a New Jersey corporation with offices at 351-365 6th Avenue, Newark, New Jersey 07102 (hereinafter called the "Seller") to Cratex Manufacturing Co., Inc. with offices at 518 Stone Road, Benicia, California 94510 (hereinafter called the "Buyer").

W I T N E S S E T H :

WHEREAS, Seller and Buyer entered into an Agreement on February 8, 1991 (hereinafter called the "Agreement") for the sale of certain tangible personal property a portion of which is more particularly described on Schedule "A" annexed hereto; and

WHEREAS, Seller has delivered all of said property to Buyer in accordance with the Agreement;

NOW, THEREFORE, Seller hereby transfers the ownership of the property described on Schedule "A" to Buyer in consideration of Buyer's agreement to pay Seller for said property as more particularly stated in the Agreement.

Seller represents and warrants to Buyer that no one else has any legal right in the property transferred to Buyer. There are no pending lawsuits or judgments against Seller which may be enforced against this property. No bankruptcy or insolvency proceedings have been started by or against Seller. If anyone claims to have a legal right in said property, Seller will defend Buyer against the claim as more particularly stated in the Agreement. Seller further represents and warrants to Buyer that

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it has paid all of its creditors or will continue to retain sufficient funds on deposit to satisfy all outstanding claims of which it has knowledge.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed and delivered as of the date first stated above.

BRIGHTBOY ABRASIVES, INC.,
a New Jersey corporation

By: 
Gary S. Barna, President

SCHEDULE "A"

1. Holmes Rubber Bail Cutter (guillotine)
2. Bench top drill press.
3. Bench PHI hyd. hand press (lab press).
4. 12" x 6" lab mill.
5. Two (2) Tumblers.
6. 7" type 27 wheel molds.
7. Air press for type 27 wheels.
8. Triangle stick mold.
9. Mold plates and spacers.
10. 20" x 20" molds.
11. Arbor press for cutting holes in type 27 wheels.
12. Rubber stamps for packaging.
13. 2" extruder with cutoff table, conveyer and dies.
14. Lathe for making 801-X holders.
15. One hand operated chopper.
16. 999 mold.
17. 908 mold.
18. Pilot molds.
19. Drum lifting attachment for fork lift.
20. Point mold.
21. Horizontal band saw.
22. Raw materials and finished goods inventory as described on bill of lading.

AGREEMENT

THIS AGREEMENT, dated for reference purposes and effective February 8, 1991, is made by and between BRIGHTBOY ABRASIVES, INC., a New Jersey corporation ("Brightboy"); GARY BARNA, an individual ("Shareholder") and CRATEX MANUFACTURING CO., INC., a California corporation ("Cratex").

RECITALS

A. Brightboy is the owner of certain tangible personal property (the "Property") listed on Exhibit A attached hereto and incorporated herein.

B. Cratex desires to purchase the Property on the terms and conditions stated herein.

C. Shareholder is the sole shareholder of Brightboy.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1

SALE OF PROPERTY

1.1 Sale. Brightboy hereby agrees to sell to Cratex the Property on the terms and conditions herein stated.

1.2 Price of Property. The total purchase price of the Property being sold pursuant to this Agreement is Forty Thousand (\$40,000) Dollars as more specifically provided in Exhibit "A" annexed hereto. Cratex shall pay to Brightboy a deposit in the amount of Ten Thousand (\$10,000.00) Dollars upon the execution

hereof. The balance of the purchase price shall be payable without interest in equal monthly installments of Five Hundred (\$500.00) Dollars payable on the date of the closing and on the first day of each successive calendar month thereafter for fifty-nine (59) months until the entire purchase price has been paid in full. Brightboy shall be entitled to be paid a late charge of Twenty-Five (\$25.00) Dollars for any such payment not made on or before the tenth (10th) day of the month in which it is due and a like amount for each additional calendar month or part thereof during which any portion of such payment remains unpaid. If Cratex fails to make any such payment within ten (10) days after receipt of written notice from Brightboy that such amount is overdue, Brightboy shall be entitled to accelerate the due date of the entire unpaid balance payable hereunder and to receive immediate payment of all unpaid monthly installments provided for herein (discounted at seven and one-half (7½%) per cent per annum) and all late charges accrued thereon.

Cratex shall have the right to prepay the entire unpaid balance of the purchase price due hereunder at any time subject to a discount of seven and one-half (7½%) per cent per annum if Brightboy shall then be willing to accept said prepayment. If Brightboy shall not be willing to accept said prepayment, Cratex shall be entitled to obtain a release of the security interest granted by Cratex to Brightboy hereunder upon Cratex delivering a fully paid annuity contract to Brightboy issued by a commercial underwriter reasonably acceptable to Brightboy for all of the

obligations due to Brightboy hereunder and under all other agreements between Brightboy and Cratex.

ARTICLE 2

CLOSING

2.1 Time and Place. The closing of the purchase and sale shall occur at Cratex' principal office in Benicia, California, on such date as the parties shall mutually agree within thirty (30) days of the date first written above.

2.2 Bill of Sale. At the closing, Brightboy shall deliver to Cratex a duly executed and valid bill of sale for the Property.

2.3 Delivery of Property. At the closing, Brightboy shall deliver the Property to Cratex at which time Cratex shall reimburse Brightboy for all reasonable rigging, delivery and freight expenses incurred by Brightboy in shipping the Property to Benicia, California.

2.4 Security. At the closing, Brightboy and Cratex shall execute and deliver a security agreement in the form attached hereto as Exhibit B and incorporated herein, granting Brightboy a security interest in certain assets of Cratex to secure Cratex' payment of the balance of the purchase price provided herein subject, however, to the prior security interest of Napa Valley Bank, Cratex' present lender, or any additional or replacement lenders (limited, however, to a bank, insurance company or other such financial institution) securing any indebtedness of Cratex to any such lenders and further subject to the security interest being

granted to Shareholder simultaneously herewith. Additionally, at the closing, Cratex shall execute and deliver to Brightboy a financing statement (Form UCC-1) regarding the security interest, in form sufficient for filing with the Secretary of State of California and any other governmental office in which financing statements are customarily filed.

2.5 Sales and Use Taxes. All sales and use taxes (if any) payable to the State of New Jersey arising out of the purchase of the Property shall be paid by Brightboy. All sales and use taxes (if any) payable to the State of California arising out of the purchase of the Property shall be paid by Cratex. Upon demand, the responsible party shall reimburse the other party for the amount of any such taxes paid or payable by the other party hereunder.

ARTICLE 3

BULK TRANSFER

Brightboy does not believe that the transaction contemplated herein is subject to the Bulk Transfer provisions of the Uniform Commercial Code; nevertheless, Brightboy agrees that within five (5) days of the execution of this Agreement, it will furnish Cratex with an affidavit indicating that it has paid, or prior to the closing hereunder will pay, all sums due to its creditors. Brightboy further agrees that it shall provide Cratex with an affidavit at the closing indicating that it has paid all of its creditors or has and will retain sufficient funds on deposit to satisfy any outstanding claims of which it then has knowledge.

In addition, Brightboy and Shareholder jointly and severally agree to indemnify and hold Cratex harmless from any claim made against or liability imposed upon Cratex pursuant to Chapter 6 of the New Jersey Uniform Commercial Code.

ARTICLE 4

DISCLOSURES, WARRANTIES AND REPRESENTATIONS

4.1 Statement of Disclosures, Warranties and Representations. Attached hereto as Exhibit C and incorporated herein is a Statement of Disclosures, Warranties and Representations made by Brightboy and Shareholder regarding the Property.

4.2 Remade at Closing. The disclosures, warranties and representations set forth in Exhibit C shall be deemed remade as of the closing date. If any material disclosure, warranty or representation made in Exhibit C has then changed or is no longer true, Brightboy shall so notify Cratex not later than forty-eight (48) hours prior to the closing, and in that event, Cratex may, at its option either: (i) proceed with the closing at the purchase price stated herein or with an adjustment in the purchase price if agreeable to all parties hereto; or, (ii) rescind this agreement. Upon such a rescission, Brightboy shall immediately return to Cratex all amounts paid by Cratex on account of the purchase price hereunder after which none of the parties hereto shall have any further rights against or obligations to any other party hereunder.

ARTICLE 5

INDEMNIFICATION

5.1 Indemnification. Brightboy and Shareholder jointly and severally shall indemnify and hold Cratex harmless against and in respect of any and all claims, demands, liabilities, obligations, losses, penalties, damages, suits, costs and expenses, including without limitation reasonable attorneys' fees (collectively, "Losses"), arising out of any breach or alleged breach of or failure to perform any representation, warranty, grant, promise, covenant, or agreement made by Brightboy hereunder. Cratex shall not have any right to withhold payment of any sum payable to Brightboy hereunder until Cratex shall have recovered a judgment against Brightboy with respect to any such Loss or Brightboy shall have agreed to such an offset, except as otherwise provided herein.

With respect to any claim or demand made against Cratex by a third party not controlled by or affiliated with Cratex for which claim or demand Cratex intends to seek indemnification from Brightboy or Shareholder hereunder, Cratex shall have the right to thereafter make all payments due from it to Brightboy hereunder to the escrow agents designated below, which sums shall thereafter be held in an interest bearing escrow account pending the resolution of said claim or demand. If Brightboy shall undertake the defense of said claim or demand on behalf of Cratex, it shall be entitled to be reimbursed by the escrow agents from time to time for the costs it incurs in said defense and/or the settlement of said claim or demand from the funds so deposited in escrow. If Brightboy shall not undertake said defense or the settlement of said claim

or demand, Cratex shall be entitled to be reimbursed by the escrow agents from time to time out of the funds then held by the escrow agents for the costs that it actually incurs in so doing. Cratex shall continue to make all such payments directly to Brightboy and shall not make any such payments to the escrow agents if the claim or demand is being defended by Brightboy's insurance company.

With respect to any other claims of Cratex for indemnification from Brightboy or Shareholder hereunder or under any other agreements among them, Cratex shall continue to make all payments due to Brightboy hereunder directly to Brightboy for six (6) months after Cratex shall have given Brightboy notice of said claim. If said claim is not resolved by Brightboy and Cratex within said six (6) months and if the total of all then unresolved claims of Cratex against Brightboy is equal to or less than one-half ($\frac{1}{2}$) of the balance then due to Brightboy and Shareholder from Cratex under all of the agreements between or among them, Cratex shall have the right to pay one-half ($\frac{1}{2}$) of each payment due hereunder to the escrow agents designated below to be held in an interest bearing escrow account pending the resolution of said claim with the other one-half ($\frac{1}{2}$) of each payment due hereunder continuing to be paid to Brightboy. If said claim is not resolved by Brightboy and Cratex within said six (6) months and if the total of all then unresolved claims of Cratex against Brightboy is more than one-half ($\frac{1}{2}$) of the balance then due to Brightboy and Shareholder from Cratex under all of the agreements between or among them, Cratex shall have the right to pay all of the payments due hereunder to

the escrow agents designated below to be held in an interest bearing escrow account pending the resolution of said claim.

All parties hereto agree that any escrow account established under this agreement shall be maintained at the Bank of America or any other financial institution in California or New Jersey agreed upon by the parties hereto from time to time in the names of Robert S. Marcus, Esq. and Marion L. Brown, Esq., or any other attorneys designated by Brightboy and Cratex, respectively, with all funds deposited therein being subject to withdrawal only upon the signatures of both escrow agents.

5.2 Indemnification by Cratex. Cratex shall indemnify and hold Brightboy harmless against and with respect to all Losses arising out of its ownership, operation, use, sale, distribution and disposition of any part of the Property other than any such Loss for which Cratex shall have a right of indemnification under Section 5.1 above.

5.3 Liability for Injury and Damage. Cratex agrees that it shall be solely responsible to third parties for all injuries and damages arising with respect to all of the Property following the closing. Brightboy agrees that it shall be solely responsible to third parties for all injuries and damages arising with respect to all of the Property prior to the closing.

5.4 Notice of Claim. Any party intending to seek indemnification from another party hereunder for the claim or demand of a third party shall notify the other party of said claim or demand within ten (10) days of the indemnified party's initial

receipt thereof after which the indemnifying party shall be entitled to respond to and/or defend against said claim or demand on behalf of the indemnified party as well as itself. If the indemnified party shall not advise the indemnifying party of its intention to respond to or defend against said claim or demand within twenty (20) days thereafter, the indemnified party shall thereafter be entitled to respond to, defend against and/or settle said claim or demand on its own behalf and to include the costs thereof in its claim for indemnification against the indemnifying party hereunder.

5.5 Limitation on Liability. Cratex agrees that the maximum liability of Brightboy and Shareholder to Cratex with respect to all claims of any nature arising hereunder or as a result of any transaction contemplated herein shall be limited to the amount not yet payable by Cratex to Brightboy hereunder and to Brightboy and Shareholder under any other agreements among them and any amount previously properly deposited in escrow pursuant to Section 5.1 above or any similar such provision of any of the other agreements among or between the parties hereto.

ARTICLE 6

MISCELLANEOUS

6.1 Successors and Assigns. This agreement shall be binding upon, and operate to the benefit of, the parties hereto and their respective successors and assigns.

6.2 Notices. All notices given under this agreement shall be in writing and shall be deemed to have been properly sent when addressed as follows:

To Brightboy
and/or Shareholder: Mr. Gary Barna
Brightboy Abrasives, Inc.
351-365 Sixth Avenue
P.O. Box 7060
Newark, New Jersey 07107

with a copy to: Robert S. Marcus, Esq.
Stern, Dubrow & Marcus
A Professional Corporation
111 Dunnell Road
Maplewood, New Jersey 07040-2689

To Cratex: Mr. A. Ricker McCasland
Cratex Manufacturing Co., Inc.
518 Stone Road
Benicia, California 94510

with a copy to: Marion L. Brown, Esq.
Carr, McClellan, Ingersoll,
Thompson & Horn
216 Park Road
Burlingame, California 94010

All notices shall be sent via United States Mail, registered or certified, return receipt requested, or via Federal Express or other similar overnight courier services, or by FAX, telex or other documented electronic means (provided the addressee is equipped to receive the same). The date of service shall be the earlier of: (i) the date the notice is actually received by the addressee; or, (ii) the third (3rd) business day after the date on which such notice is deposited in the United States Mail or delivered to such courier service, properly addressed. Either party may give written notice of a change of address, and after notice of such change has been

received, any notice thereafter shall be given to such party as provided above at such changed address.

6.3 Construction. This agreement shall be considered wholly executed and delivered within the State of California and shall be interpreted and enforced in accordance with the laws of the State of California. The headings of Articles and Sections in this agreement are included for convenience only and shall not be considered in construing this agreement. Any controversy or claim arising out of, or relating to, this agreement, or the making, performance or interpretation thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association then existing, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy. Arbitration shall take place in the county and state in which the defendant (respondent) maintains its principal office or resides.

6.4 Extraneous Writings. This agreement sets forth the entire agreement and understanding between the parties as to the subject matter of this agreement and merges and supersedes all prior discussions and writings between them. None of the parties shall be bound by any condition, definition, warranty or representation with respect to the subject matter of this agreement, other than as expressly provided in this agreement, or as duly set forth on or after the date hereof in a writing signed by or on behalf of the party to be bound thereby.

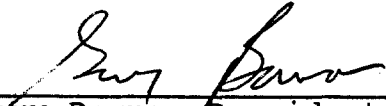
6.5 Severability. The provisions of this agreement are severable. If any provision of this agreement is held to be invalid or unenforceable, the remainder shall continue in full force and effect.

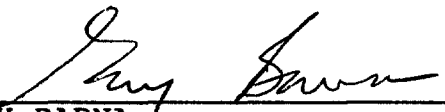
6.6 Arbitration and Litigation Expenses. In the event of any arbitration or judicial proceeding based upon or arising out of this agreement, the prevailing party shall be entitled to recover reasonable attorneys, accountants and expert witness fees and costs incurred in that arbitration or proceeding in addition to any other relief to which such party may be entitled.

6.7 Consent to Representation. Cratex consents to Stern, Dubrow & Marcus, a Professional Corporation, representing Brightboy and/or Shareholder with respect to the preparation and execution of this agreement and any dispute which may hereafter arise between any parties hereto notwithstanding the designation of an attorney-at-law in said law firm as an escrow agent hereunder. Brightboy and Shareholder consent to Carr, McClellan, Ingersoll, Thompson & Horn, Esqs., representing Cratex with respect to the preparation and execution of this Agreement and any dispute which may hereafter arise between any parties hereto notwithstanding the designation of an attorney-in-fact in said law firm as an escrow agent hereunder.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed as of the date first above written.

BRIGHTBOY ABRASIVES, INC.

By: 
Gary Barna, President


GARY BARNA

CRATEX MANUFACTURING CO., INC.

By: 
A. Ricker McCasland,
President

mi:docs\1442

EXHIBIT A

I. EQUIPMENT

1. Air operated punch press for 8"-16" wheels including dies.
2. Bench top drill press.
3. Bench PHI hyd. hand press (lab press).
4. 12" x 6" lab mill.
5. Tumblers.
6. 7" type 27 wheel molds.
7. Air press for type 27 wheels.
8. Triangle stick mold.
9. Mold plates and spacers.
10. 20" x 20" molds.
11. Arbor press for cutting holes in type 27 wheels.
12. Rubber stamps for packaging.
13. 2" extruder with cutoff table, conveyer and dies.
14. Lathe for making 801-X holders.
15. One hand operated chopper.
16. 999 mold.
17. 908 mold.
18. Pilot molds.
19. Drum lifting attachment for fork lift.
20. Point mold and press.
21. Horizontal band saw.
22. South Bend collet lathe.
23. Selected hand tools including certain Measuring and cutting tools. \$25,000.00

- II. Such portion of the raw materials and finished goods inventory of Brightboy as the parties shall record on Schedule A-1 annexed hereto. \$15,000.00**

EXHIBIT B

SECURITY AGREEMENT

This Security Agreement is made and entered into at Benicia, California, on February 8, 1991, by and between CRATEX MANUFACTURING CO., INC., a California corporation ("Debtor"), and BRIGHTBOY ABRASIVES, INC., a New Jersey corporation ("Secured Party").

RECITALS

A. Debtor has today purchased from Secured Party certain tangible personal property and has agreed to pay a portion of the purchase price in installments, all pursuant to the terms of a certain Agreement dated February 8, 1991.

B. Debtor has entered into a License Agreement with Secured Party on this date pursuant to which Secured Party has agreed to make certain royalty and other payments to Secured Party.

C. As used herein, the obligations of Debtor to pay the balance of the purchase price pursuant to the terms of the parties' Agreement of February 8, 1991 and all payments due to Secured Party under the License Agreement as well as the obligations of Debtor under this Agreement, are collectively referred to as the "Obligations."

D. Secured Party desires to obtain a security interest in certain of the assets of Debtor as security for the full and timely satisfaction of the Obligations; subject, however, to the prior security interest therein held by Napa Valley Bank, Debtor's present lender, or any additional or replacement lenders (limited,

however, to a bank, insurance company or other such financial institution) securing any indebtedness of Debtor in any amount to any such lenders.

NOW, THEREFORE, the parties agree as follows:

1. The Security. As security for Debtor's timely and full satisfaction and payment of the Obligations, Debtor hereby grants to Secured Party a security interest, pursuant to the provisions of Article 9 of the California Commercial Code, in and to all of Debtor's interest in the following (all collectively referred to herein as the "Collateral"):

a. All of Debtor's machinery; equipment; fixtures; inventory; supplies; goods; accounts; chattel paper; documents; instruments; tradenames: Brightboy and He-Man; and all technology, know-how, customer lists and formulae relating to the manufacture of Brightboy and He-Man products, presently existing and hereafter acquired including all accessions, substitutions, proceeds and products thereof; and

b. All rights to casualty insurance and the proceeds thereof covering any of the property described in Section 1(a) above; provided, however, that Secured Party shall permit any casualty insurance proceeds relating to the Collateral to be used by Debtor to acquire replacement Collateral.

2. Debtor's Covenants. At all times before Secured Party has received full payment and satisfaction of the Obligations, Debtor shall do each of the following regarding the Collateral:

- a. Properly maintain and care for the Collateral;
- b. Maintain casualty insurance covering the Collateral as is customary for businesses similar to the business of Debtor, and name Secured Party as loss payee of such insurance;
- c. Not sell, contract for sale, or otherwise dispose of the Collateral, except in the ordinary course of business;
- d. Promptly pay when due all property taxes and assessments due upon the Collateral, and for its use and operation; and
- e. Execute one or more Financing Statements (UCC-1) as reasonably required to perfect and continue Secured Party's security interest in the Collateral.

3. Representations and Warranties. Debtor represents and warrants to Secured Party that as of the date hereof, there are no other security interests in the Collateral (exclusive of leased equipment) other than the security interest granted to Napa Valley Bank for funds lent to Debtor by said bank and a security interest to be given to Gary Barna simultaneously with the granting of this security interest.

4. Events of Default. Each of the following is defined as an event of default under this Agreement:

- a. Nonpayment of any amount due under the Obligations within ten (10) days after receipt of written notice from Secured Party that such amount is overdue;

b. Nonperformance of any obligation of Debtor under this Agreement within thirty (30) days after receipt of written notice of nonperformance from Secured Party; provided, however, that any failure to pay money when due shall be an event of default if not cured within ten (10) days of such notice;

c. Any event which materially reduces the value of the Collateral (except for normal wear and tear), unless additional Collateral having a value equal to such reduction is provided within thirty (30) days of such event; and

d. The filing by Debtor of a petition in bankruptcy or for relief under the Bankruptcy Act, or the appointment of a receiver to take possession of a substantial part of the property of Debtor, or an assignment by Debtor for the benefit of its creditors, or the adjudication of insolvency of Debtor.

5. Remedies. Upon the occurrence of any event of default described above, Secured Party shall have any or all rights and remedies of a secured party under the California Commercial Code.

6. Release of Collateral. Secured Party shall release the security interest in the Collateral herein granted upon the payment and satisfaction in full of the Obligations or as otherwise provided in said Option Agreement or License Agreement.

7. Subordination of Security Interest. Secured Party acknowledges that the security interest granted to it hereunder is subordinate to the existing security interest in Debtor's assets held by Napa Valley Bank, Debtor's present lender, as well as all future security interests granted by Debtor to said lender and

other such lenders (limited, however, to one or more banks, insurance companies or other such financial institutions) for all funds lent at any time in any amount by any such lender to Debtor. Secured Party agrees to execute any instrument presented to it by Debtor to confirm the subordination of this security interest to one held by or to be granted to any such lender.

8. Nonwaiver. The rights, powers, and remedies given to Secured Party by this Agreement shall be in addition to all rights, powers, and remedies given to Secured Party by virtue of any statute or rule of law. Any forbearance, failure, or delay by Secured Party in the exercise of any right, power, or remedy hereunder shall not be deemed to be a waiver of such right, power, or remedy; and any single or partial exercise of any right, power, or remedy hereunder shall not preclude the further exercise thereof.

9. Further Acts. The parties agree to do all further acts, and to execute all further instruments and documents, as may be reasonably required to carry out the terms of this Agreement.

10. Notices. All notices required or permitted under this Agreement between the parties shall be given in writing by either: (i) personal delivery to the intended addressee; or, (ii) by certified or registered United States mail addressed to the addressee at its address indicated in the signature section of this Agreement. Any notice given by mail shall be deemed to have been given on the third (3rd) business day after mailing. Any party may

change the address to which notices to that party are to be mailed by giving written notice of such change of address.

11. Entire Agreement. This Agreement as well as the above referenced Agreement and License Agreement contain the parties entire understanding regarding the Collateral and supersedes all prior discussions and negotiations.

12. Modification. This Agreement may be modified by the parties, but only in a writing signed by the party to be bound thereby.

13. Captions. The captions of the sections of this Agreement are for convenience only and shall not be used in interpreting or construing this Agreement.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

15. California Law. This Agreement is made under and shall be construed and governed in accordance with the laws of the State of California. However, the rule of construction to the effect that a document shall be construed against the drafting party shall have no application to this Agreement and instead this Agreement shall be deemed to have been drafted equally by each of the parties.

16. Attorneys Fees. If an action is commenced in a court of competent jurisdiction based upon or arising out of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys fees and costs as determined by the court.

IN WITNESS WHEREOF, the parties have executed this Agreement.

DEBTOR:
CRATEX MANUFACTURING CO., INC.,
a California corporation

By: 

ADDRESS:
Attn: Mr. A. Ricker McCasland
518 Stone Road
Benicia, CA 94510

SECURED PARTY:
BRIGHTBOY ABRASIVES, INC. a
New Jersey corporation

By: _____

ADDRESS:
Attn: Mr. Gary Barna
351-365 Sixth Avenue
P.O. Box 7060
Newark, New Jersey 07107

EXHIBIT C

STATEMENT OF DISCLOSURES, REPRESENTATIONS AND WARRANTIES

This Statement of Disclosures, Representations and Warranties is dated for reference purposes and effective February 8, 1991, and made as an inducement to CRATEX MANUFACTURING CO., INC., a California corporation ("Cratex"), to enter into a certain Agreement (the "Agreement") with BRIGHTBOY ABRASIVES, INC., a New Jersey corporation ("Brightboy"), and GARY BARNA, an individual, ("Shareholder"), regarding certain personal property (the "Property"). Brightboy and Shareholder jointly and severally hereby disclose, represent and warrant as follows:

1. ORGANIZATION, STANDING AND QUALIFICATION OF BRIGHTBOY.

Brightboy is a corporation duly organized, validly existing, and in good standing under the laws of New Jersey, has all necessary corporate powers to own its properties and to carry on its business as now owned and operated by it, and is duly qualified to do intrastate business and is in good standing in the jurisdictions in which the nature of Brightboy's business or its properties makes such qualification necessary.

2. FINANCIAL STATEMENTS. The attached Disclosure Schedule 2 sets forth the unaudited balance sheets of Brightboy as of November 30, 1988, and the related statements of income and cash flow for the three years ending on those dates. The attached Disclosure Schedule 2 also sets forth the unaudited balance sheet of Brightboy as of November 30, 1989 (the "Balance Sheet Date"), together with related unaudited statements of income and cash flow for the year ending on such date as well as monthly sales through November 30, 1990. The financial statements in Disclosure Schedule 2 are hereinafter referred to as the "Financial Statements". The Financial Statements have been prepared in accordance with generally accepted accounting principles (except as otherwise noted therein) consistently followed by Brightboy throughout the periods indicated and fully and fairly present the financial position of Brightboy as of the respective dates of the balance sheets included in the Financial Statements, and the results of its operations for the respective periods indicated.

3. ABSENCE OF SPECIFIED CHANGES. Since the Balance Sheet Date and up to the date of the execution of the agreement to which this is attached, there has been no:

a. Transaction by Brightboy except in the ordinary course of business;

b. Destruction, damage to, or loss of any asset of Brightboy (whether or not covered by insurance) that materially and

adversely affects the financial condition, business, or prospects of Brightboy;

c. Change in accounting methods or practices (including, without limitation, any change in depreciation or amortization policies or rates) by Brightboy;

d. Revaluation by Brightboy of any material asset except in the ordinary course of business;

e. Sale or transfer of any asset of Brightboy, except in the ordinary course of business;

f. Amendment or termination of any contract, agreement, or license to which Brightboy is a party, other than in the ordinary course of business;

g. Mortgage, pledge, or other encumbrance of any material asset of Brightboy;

h. Waiver or release of any right or claim of Brightboy except in the ordinary course of business;

i. Other event or condition of any character that has or might reasonably have a material and adverse effect on the financial condition, business or assets of Brightboy;

j. Agreement by Brightboy to do any of the things described in the preceding clauses (a) through (i).

4. TAX RETURNS AND AUDITS. Within the times and in the manner prescribed by law, Brightboy has filed all federal, state, and local tax returns required by law and has paid all taxes, assessments, and penalties due and payable other than 1990 real property taxes due to the City of Newark, New Jersey and its 1989 and 1990 federal and state corporation income tax returns. None of the federal income tax returns of Brightboy are presently being audited by the Internal Revenue Service. There are no present disputes as to taxes of any nature payable by Brightboy other than 1990 real property taxes due to the City of Newark, New Jersey. For any and all prior periods, whether or not disputed, Brightboy's provisions for taxes are adequate as reflected on Brightboy's balance sheet as of the Balance Sheet Date.

5. INVENTORY. The inventory of finished goods shown on the balance sheet of Brightboy as of the Balance Sheet Date included in the Financial Statements consist of items of a quality and quantity usable and saleable in the ordinary course of business by Brightboy except for obsolete and slow-moving items and items below standard quality, all of which have since been written down on the books of Brightboy to net realizable market value or have been provided for by adequate reserves. All items included in the

inventories are the property of Brightboy except for sales made in the ordinary course of business since the Balance Sheet Date. The inventories shown on all the balance sheets included in the Financial Statements are based on quantities determined by physical count or measurement, taken within the preceding 12 months, and are valued at the lower of cost (determined on a first-in, first-out basis) or market value and on a basis consistent with that of prior years.

6. TANGIBLE PERSONAL PROPERTY. All of the machinery, equipment, tools, dies, molds, drawings and other tangible personal property used by Brightboy in the production of the Products are owned by Brightboy and located at its plant in Newark, New Jersey.

7. TITLE TO PROPERTY. Brightboy has good and marketable title to all of the Property. All of the Property is free and clear of mortgages, liens, pledges, charges, encumbrances, equities, claims, restrictions, leases, or consignments. All of the Property is in the possession of Brightboy.

8. LITIGATION. There is no suit, action, arbitration, legal, administrative or other proceeding, or governmental investigation pending or threatened, to the best of Brightboy's knowledge against or affecting Brightboy or its business, assets, or financial condition, except as set forth in attached Disclosure Schedule 8. Upon request, Brightboy will furnish to Cratex a copy of all relevant court papers and other documents relating to the matters set forth in Disclosure Schedule 8. Brightboy is not in default with respect to any order, writ, injunction, or decree of any federal, state, local, or foreign court, department, agency, or instrumentality.

9. AGREEMENT WILL NOT CAUSE BREACH OR VIOLATION. The consummation of the transactions contemplated by the Agreement to which this is an exhibit will not result in or constitute any of the following: (i) a default or an event that, with notice or lapse of time or both, would be a default, breach, or violation of the charter document or bylaws of Brightboy or any lease, license, promissory note, conditional sales contract, commitment, indenture, mortgage, deed of trust, or other agreement, instrument, or arrangement to which Brightboy is a party or by which Brightboy or its property is bound; (ii) an event that would permit any party to terminate any agreement or to accelerate the maturity of any indebtedness or other obligation of Brightboy; (iii) the creation or imposition of any lien, charge or encumbrance on any property of Brightboy; or (iv) cause Cratex to incur any liability to or on account of any employee of Brightboy pursuant to its existing collective bargaining agreement.

10. AUTHORITY AND CONSENTS. Brightboy has the right, power, legal capacity, and authority to enter into, and perform its obligations under the agreement to which this is attached, and

no approval or consent of any person other than the Board of Directors and Sole Shareholder of Brightboy is necessary in connection with it. The execution and delivery of the agreement to which this is attached by Brightboy has been duly authorized by all necessary corporate action.

11. FULL DISCLOSURE. None of the representations and warranties made by Brightboy, or made in any certificate or memorandum furnished or to be furnished by Brightboy or on its behalf, contains or will contain any untrue statement of a material fact, or omits any material fact the omission of which would be adversely misleading.

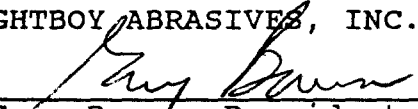
12. CONDITION OF PROPERTY. On the date of this agreement, the Property is in workable and usable condition and will be in workable and usable condition when removed from Brightboy's plant.

13. JUDGMENTS. There are no judgments or unsatisfied settlements outstanding against Brightboy.

14. COMPLIANCE WITH LAWS. To the best of its knowledge, Brightboy's use and distribution of the Property is in substantial compliance with all applicable laws and regulations.

IN WITNESS WHEREOF, Brightboy and Shareholder have executed this Statement.

BRIGHTBOY ABRASIVES, INC.

By: 
Gary Barne, President



GARY BARNE

EXHIBIT ^C~~D~~

DISCLOSURE SCHEDULES

- 2. Financial Statements
- ~~6. Tangible Personal Property~~
- 8. Litigation

Exhibit D-8 - Litigation

1. Civil action in Indiana for personal injuries entitled: Dennis Slaven vs. Brightboy Abrasives, Inc. - Date of Claim 7/26/84.

Brightboy Abrasives, Inc. is being defended by its insurance carrier which may have settled this case without advising Brightboy Abrasives, Inc.

BILL OF SALE

Bill of Sale made March 8, 1991 by Brightboy Abrasives, Inc., a New Jersey corporation with offices at 351-365 6th Avenue, Newark, New Jersey 07102 (hereinafter called the "Seller") to Cratex Manufacturing Co., Inc. with offices at 518 Stone Road, Benicia, California 94510 (hereinafter called the "Buyer").

W I T N E S S E T H :

WHEREAS, Seller and Buyer entered into a License Agreement on February 8, 1991 (hereinafter called the "Agreement") pursuant to which Agreement Buyer had the right to acquire from Seller certain personal property more particularly described on Schedule "A" annexed hereto; and

WHEREAS, Buyer has recently exercised its right to acquire said property and Seller has delivered all of said property to Buyer in accordance with the Agreement;

NOW, THEREFORE, Seller hereby transfers the ownership of the property described on Schedule "A" to Buyer in consideration of Buyer's agreement to pay Seller for said property as more particularly stated in the Agreement.

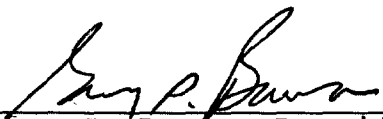
Seller represents and warrants to Buyer that no one else has any legal right in the property transferred to Buyer. There are no pending lawsuits or judgments against Seller which may be enforced against this property. No bankruptcy or insolvency proceedings have been started by or against Seller. If anyone claims to have a legal right in said property, Seller will defend Buyer against the claim as more particularly stated in the

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Agreement. Seller further represents and warrants to Buyer that it has paid all of its creditors or will continue to retain sufficient funds on deposit to satisfy all outstanding claims of which it has knowledge.

IN WITNESS WHEREOF, Seller has caused this Bill of Sale to be executed and delivered as of the date first stated above.

BRIGHTBOY ABRASIVES, INC.,
a New Jersey corporation

By: 
Gary S. Barna, President

SCHEDULE "A"

All technology, know-how, formulae and procedures necessary for or in any way relating to the manufacture of Brightboy products and He-Man products.

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LICENSE AGREEMENT

THIS LICENSE AGREEMENT, dated for reference purposes and effective February 8, 1991, is made by and among BRIGHTBOY ABRASIVES, INC., a New Jersey corporation ("Licensor"); Cratex Manufacturing Co., Inc., a California corporation ("Licensee"), and GARY BARNA, an individual ("Shareholder"), under the following circumstances:

A. Licensor has developed the products listed in Exhibit A attached hereto and incorporated herein (the "Products") and has the right to grant licenses with respect to the Products.

B. Licensor has developed the technology listed in Exhibit B attached hereto and incorporated herein (the "Technology") and has the right to grant licenses with respect to the Technology.

C. Licensor has developed the trade names listed in Exhibit C attached hereto and incorporated herein (the "Trade Names") and has the right to grant licenses with respect to the Trade Names.

D. The Products, the Technology and the Trade Names are herein collectively referred to as the "Licensed Items."

E. "Goodwill" means the business goodwill related to the Licensed Items.

F. Shareholder is the sole shareholder of Licensor.

NOW, THEREFORE, the parties hereto agree as follows:

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ARTICLE 1

GRANT OF LICENSE

Licensors hereby grants to Licensee:

1.1 Products. A worldwide license to make, have made, use, sublicense, lease, market, sell and exploit the Products;

1.2 Technology. A worldwide license to use, sublicense, lease, market and exploit the Technology; and

1.3 Trade Names. A worldwide license to use, sublicense, lease, market and exploit the Trade Names.

ARTICLE 2

TECHNICAL ASSISTANCE

2.1 Documentation Supplied by Licensor. As soon as reasonably possible, but in no event later than five (5) days after the effective date of this agreement, Licensor shall furnish Licensee with any and all engineering, technical and test data and other information in reproducible form, regarding the Licensed Items.

2.2 Marketing Information. As soon as reasonably possible, but in no event later than five (5) days after the effective date of this agreement, Licensor shall furnish Licensee with full and complete information and data in Licensor's possession with respect to the marketing of the Licensed Items including but not limited to one set of all descriptive, advertising and technical literature, published price lists and other information of like character.

2.3 Licensee's Right to Use Information. Licensee shall have the right to use all of the information and data furnished

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pursuant to this Article 2 to make, have made, use, sublicense, lease, market, sell (in the case of the Products) and exploit the Licensed Items.

ARTICLE 3

COMPENSATION

3.1 Initial Payment. Upon the execution and delivery of this agreement, Licensee shall pay Licensor a license fee of Twenty-Five Thousand (\$25,000) Dollars.

3.2 Royalty. In addition to the above-stated license fee, during the term of this agreement, Licensee shall pay Licensor a royalty equal to Four percent (4%) of all Revenues. For the purpose of this agreement, "Revenues" shall mean all monies received by Licensee and derived from the Licensed Items (whether as a result of sales, sublicenses, leases or otherwise), net of: (i) any sales, use and other similar taxes; (ii) any packing, transportation, delivery or insurance charges; and, (iii) any product returns or credits. Payments shall be made in the manner and at the times specified in Article 4 of this agreement.

3.3 Minimum Monthly Royalty Payments. Licensee shall pay Licensor on the first day of each month during the first three (3) years of the term of this agreement a minimum monthly royalty payment of Seven Hundred Fifty (\$750.00) Dollars, which amount shall be credited against Licensee's royalty payment obligations described in Section 3.2 above, but which minimum royalty payment shall not be refundable if the payments calculated pursuant to Section 3.2 above and payable pursuant to Article 4 below are less

than the total minimum payments during each such calendar year. Licensor shall be paid a late charge of Thirty-Seven and 50/100 (\$37.50) Dollars for any such payment not made on or before the tenth (10th) day of the month in which it is due and a like amount for each additional calendar month or part thereof during which any portion of such payment remains unpaid.

3.4 Product Improvements. All improvements to the Licensed Items by Licensor or Licensee or any sublicensee shall be added to the Licensed Items without any additional fees being payable by either party to the other party hereto.

ARTICLE 4

REPORTS AND PAYMENTS

4.1 Statement. Within thirty (30) days after the end of each calendar year during the term of this agreement, Licensee shall furnish Licensor with a written statement showing the Revenues received during such calendar year and the computation of the royalty payable hereunder, and shall pay to Licensor the royalty then due pursuant to Article 3, net of monthly royalty payments made pursuant to Section 3.3 above. If this agreement is terminated on a date other than the last day of a calendar year, a similar statement shall be rendered and payment made within thirty (30) days after the date of the termination of this agreement covering the period from the end of the period covered by the last preceding report to the date of termination. Notwithstanding anything to the contrary herein, each statement submitted under this agreement shall be final and binding upon

Licensor and shall not be subject to audit, unless within six (6) months after Licensor's receipt of such statement, Licensor objects to such statement in writing. Licensor may not maintain any action, claim or proceeding against Licensee in any forum or tribunal in connection with or in any way relating to any statement provided by Licensee to Licensor hereunder unless written notice objecting to such statement is delivered to Licensee as provided herein. Licensor shall be entitled to be paid a late charge of five (5%) percent of each annual royalty payment due and not made within said thirty (30) days period as well as a like amount for each additional period of thirty (30) days or any part thereof during which any portion of such royalty payment remains unpaid.

4.2 Records. Licensee shall keep for two (2) years after the date of submission of each statement true and accurate records, files and books of account containing all of the data reasonably required for the full computation and verification of Revenues derived from the Licensed Items as well as the other information to be given in the statements provided for herein. Licensee shall permit Licensor, its duly authorized representatives, or a certified public accountant acceptable to Licensee and Licensor, upon reasonable notice and at the sole cost of Licensor, to inspect such records, files, and books of account at any time during usual business hours.

ARTICLE 5

TERM AND TERMINATION

5.1 Term. The term of the licenses granted by this agreement shall commence on the date hereof and, except as provided in Sections 5.2, 5.3 and 5.4, shall continue for twenty (20) years thereafter.

5.2 Termination on Default. Notwithstanding any other provision of this agreement, if Licensee shall at any time default in the payment of any sum due hereunder, which default shall not be cured within ten (10) days of Licensee's receipt of written notice from Licensor that such payment is overdue, or, if Licensee shall at any time default in fulfilling any other obligation hereunder which other default shall not be cured within thirty (30) days of Licensee's receipt of written notice from Licensor specifying the nature of the default, Licensor shall have the right to terminate this agreement by giving written notice of termination to Licensee. Licensee agrees that following the third (3rd) anniversary of the execution of this agreement, it shall be deemed to be in default hereunder and Licensor shall thereafter have the right to terminate this agreement if the annual royalty payments made by Licensee to Licensor hereunder are less than Five Thousand (\$5,000.00) Dollars in any two (2) years. Licensor's right to terminate this agreement as a result thereof shall lapse if Licensor does not, in fact, terminate this agreement within one (1) year of the receipt of Licensee's second such report and payment of less than the stated amount.

5.3 Termination on Insolvency. Notwithstanding any other provision hereof, this agreement may be terminated effective on the

date of any of the following events, or at any time thereafter, by written notice from Licensor to Licensee electing to terminate this agreement:

(i) The adjudication of Licensee to be bankrupt or insolvent;

(ii) The filing by Licensee of a petition in bankruptcy or insolvency;

(iii) The filing by Licensee of a petition or answer seeking reorganization or readjustment under any law relating to insolvency or bankruptcy;

(iv) The appointment of a receiver with respect to all or substantially all of the property of Licensee;

(v) Any assignment by Licensee of its assets for the benefit of creditors; or

(vi) The institution by Licensee of any proceedings for liquidation or the winding up of its business other than for purposes of reorganization, consolidation or merger.

5.4 Termination on Purchase. If Licensee purchases fee title to the Licensed Items and Goodwill pursuant to Article 6 hereof during the term of the licenses granted herein, the licenses shall terminate upon such purchase.

5.5 Effect of Termination. No termination of this agreement shall release Licensee from any obligation previously arising hereunder, nor shall it rescind or give rise to any right to rescind anything done or any payment made or other consideration given to Licensor hereunder prior to the date such termination

becomes effective. Upon the termination of this agreement for any reason other than as stated in Section 5.4 above, Licensee shall immediately discontinue the manufacture, marketing, sale, sub-licensing and any other use of the Licensed Items. The rights of all sublicensees, lessees and others in the Licensed Items shall also terminate upon the termination of this agreement for any reason other than a termination pursuant to Section 5.4 above unless otherwise agreed upon by Licensor and said other entity. Upon the termination of this agreement for any reason other than as stated in Section 5.4 above, Licensee shall not manufacture, sell, market or otherwise be involved in the distribution of products that are used for the same purpose and are in direct competition with the Licensed Items to any customer (or successor thereto) of Licensor within two (2) years prior to the date of this agreement for a period of three (3) years thereafter; provided, however, that nothing herein shall in any manner restrict Licensee's right to manufacture, sell, market or otherwise be involved in the distribution of products which were part of Licensee's product line immediately prior to the date of this agreement.

ARTICLE 6

PURCHASE OPTION

Licensor hereby grants to Licensee an exclusive option to purchase fee title to the Licensed Items and Goodwill on the following terms and conditions:

6.1 Exercise Period. This option may be exercised by Licensee by written notice of exercise given to Licensor within twelve (12) months after the execution of this agreement or within one (1) month of receipt of written notice from Licensor to Licensee (at any time during the term of this Agreement as provided in Section 5.1 above) of the proposed issuance or sale of another license for the Licensed Items. Licensor agrees that it shall not issue or sell any other license for any Licensed Item without first delivering written notice of its intent to do so no less than one (1) month prior to so doing which notice shall include the name and address of the proposed licensee. Licensor's right to issue any additional licenses for any Licensed Item shall terminate upon Licensee's exercise of its purchase option hereunder.

6.2 Price. The purchase price shall be Seventy Thousand (\$70,000) Dollars. All payments previously made by Licensee to Licensor pursuant to Sections 3.1 and 3.3 of this agreement shall be applied to and credited against the purchase price, and no payments or statements shall be due to Licensor from Licensee pursuant to Section 3.2 or Article 4 hereof. The balance of the purchase price shall be payable by Licensee to Licensor without interest in monthly installments of Seven Hundred Fifty (\$750.00) Dollars commencing on the first (1st) day of each month after the purchase closing and continuing monthly thereafter until paid in full. Licensor shall be entitled to be paid a late charge of Thirty-Seven and 50/100 (\$37.50) Dollars for any such payment not made on or before the tenth (10th) day of the month in which it is due and a like amount for each additional calendar month or part

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thereof during which any portion of such payment remains unpaid. If Licensee fails to make any such payment within ten (10) days after receipt of written notice from Licensor that such amount is overdue, Licensor shall be entitled to accelerate the due date of the entire unpaid balance of the purchase price payable hereunder and to receive immediate payment of all unpaid monthly installments provided for herein (discounted at seven and one-half ($7\frac{1}{2}\%$) per cent per annum) and all late charges accrued thereon.

Licensee shall have the right to prepay the entire unpaid balance of the purchase price due hereunder at any time subject to a discount of seven and one-half ($7\frac{1}{2}\%$) per cent per annum if Licensor shall then be willing to accept said prepayment. If Licensor shall not be willing to accept said prepayment, Licensee shall be entitled to obtain a release of the security interest granted by Licensee to Licensor hereunder upon Licensee delivering a fully paid annuity contract to Licensor issued by a commercial underwriter reasonably acceptable to Licensor for all of the obligations due to Licensor hereunder and under all other agreements between Licensor and Licensee.

6.3 Title. Good and marketable title to the Licensed Items shall be delivered to Licensee at the purchase closing free and clear of all liens and encumbrances.

6.4 Warranties and Representations. All warranties and representations made by Licensor to Licensee in Exhibit D to this agreement shall be deemed remade as of the purchase closing date. Although said warranties and representations shall be made only as

of the date of the purchase closing and not as of any date or event thereafter, Licensee's right to commence any action based on a material misrepresentation or material breach of any warranty therein shall continue beyond the purchase closing subject to any applicable statute of limitations.

6.5 Closing. The closing of the purchase of the Licensed Items and Goodwill shall occur at Licensee's principal office in California on such date as Licensee shall specify in its notice of exercise of this option, which date may not be less than ten (10) days nor more than thirty (30) days after the date the option is exercised. At the closing, Licensor shall deliver to Licensee a valid bill of sale evidencing the transfer of the title of the Licensed Items and Goodwill to Licensee, together with all other documents reasonably required to vest in Licensee good and marketable title thereto.

6.6 Sales and Use Taxes. All sales and use taxes (if any) payable to the State of New Jersey arising out of the licenses granted herein or the purchase of the Licensed Items and Goodwill shall be paid by Licensor. All sales and use taxes (if any) payable to the State of California arising out of the licenses granted herein or the purchases of the Licensed Items and Goodwill shall be paid by Licensee. Upon demand, the responsible party shall reimburse the other party for the amount of any such taxes paid or payable by the other party hereunder.

ARTICLE 7

SECURITY

Upon the execution of this agreement, Licensee shall execute and deliver to Licensor a security agreement in the form attached to the other Agreement executed by the parties hereto granting Licensor a security interest in those of Licensee's assets specifically provided therein to secure all payments due from Licensee to Licensor hereunder. In addition, Licensee shall execute and deliver to Licensor a financing statement (Form UCC-1) describing the security interest in form sufficient for filing with the Secretary of State of California and any other governmental office in which financing statements are customarily filed.

ARTICLE 8

LICENSOR'S REPRESENTATIONS AND WARRANTIES

Licensor and Shareholder jointly and severally represent and warrant that all statements in the Statement of Disclosures, Representations and Warranties attached hereto as Exhibit D and incorporated herein are true and correct as of the date of this agreement.

ARTICLE 9

OBLIGATIONS OF LICENSOR

During the term of this agreement, Licensor shall not issue or sell any additional licenses for any Licensed Item without giving Licensee prior written notice thereof as provided in Section 6.1 above. If Licensee shall exercise its purchase option hereunder, thereafter Licensor shall not use or permit the use of any Licensed Item, or any confusingly similar or directly competitive product, in connection with the manufacture,

advertisement, distribution, marketing or sale of any products or goods nor shall Licensor directly or indirectly, manufacture, package, assemble, sell, license, broker, market, distribute, promote, or deal in any of the Licensed Items or any modification or improvement thereof, or any other product or merchandise if it is directly competitive with any of the Licensed Items except when Licensor or its assignee shall exercise any of its rights as a secured party pursuant to the security interest granted to Licensor hereunder.

ARTICLE 10

INDEMNIFICATION

10.1 Indemnification. Licensor and Shareholder jointly and severally shall indemnify and hold Licensee harmless against and in respect of any and all claims, demands, liabilities, obligations, losses, penalties, damages, suits, costs and expenses, including without limitation reasonable attorneys' fees (collectively, "Losses"), arising out of any breach or alleged breach of or failure to perform any representation, warranty, grant, promise, covenant, or agreement made by Licensor hereunder. Licensee shall not have any right to withhold payment of the royalty and all other sums payable to Licensor hereunder until Licensee shall have recovered a judgment against Licensor with respect to any such Loss or Licensor shall have agreed to such an offset, except as otherwise provided herein.

With respect to any claim or demand made against Licensee by a third party not controlled by or affiliated with Licensee for

which claim or demand Licensee intends to seek indemnification from Licensor or Shareholder hereunder, Licensee shall have the right to thereafter make all payments due from it to Licensor hereunder to the escrow agents designated below, which sums shall thereafter be held in an interest bearing escrow account pending the resolution of said claim or demand. If Licensor shall undertake the defense of said claim or demand on behalf of Licensee, it shall be entitled to be reimbursed by the escrow agents from time to time for the costs it incurs in said defense and/or the settlement of said claim or demand from the funds so deposited in escrow. If Licensor shall not undertake said defense or the settlement of said claim or demand, Licensee shall be entitled to be reimbursed by the escrow agents from time to time out of the funds then held by the escrow agent for the costs that it actually incurs in so doing. Licensee shall continue to make all such payments directly to Licensor and shall not make any such payments to the escrow agents if the claim or demand is being defended by Licensor's insurance company.

With respect to any other claims of Licensee for indemnification from Licensor or Shareholder hereunder or under any other agreements among them, Licensee shall continue to make all payments due to Licensor hereunder directly to Licensor for six (6) months after Licensee shall have given Licensor notice of said claim. If said claim is not resolved by Licensor and Licensee within said six (6) months and if the total of all then unresolved claims of Licensee against Licensor is equal to or less than one-

half ($\frac{1}{2}$) of the balance then due to Licensor and Shareholder from Licensee under all of the agreements between or among them, Licensee shall have the right to pay one-half ($\frac{1}{2}$) of each payment due hereunder to the escrow agents designated below to be held in an interest bearing escrow account pending the resolution of said claim with the other one-half ($\frac{1}{2}$) of each payment due hereunder continuing to be paid to Licensor. If said claim is not resolved by Licensor and Licensee within said six (6) months and if the total of all then unresolved claims of Licensee against Licensor is more than one-half ($\frac{1}{2}$) of the balance then due to Licensor and Shareholder from Licensee under all of the agreements between or among them, Licensee shall have the right to pay all of the payments due hereunder to the escrow agents designated below to be held in an interest bearing escrow account pending the resolution of said claim.

All parties hereto agree that any escrow account established under this agreement shall be maintained at the Bank of America or any other financial institution in California or New Jersey agreed upon by the parties hereto from time to time in the names of Robert S. Marcus, Esq. and Marion L. Brown, Esq., or any other attorneys designated by Licensor and Licensee, respectively, with all funds deposited therein being subject to withdrawal only upon the signatures of both escrow agents.

10.2 Indemnification by Licensee. Licensee shall indemnify and hold Licensor and Shareholder harmless against and in respect of all Losses arising out of its use, sublicensing,

leasing, marketing, manufacture, distribution, ownership and disposition of any Licensed Item other than any such Loss for which Licensee shall have a right of indemnification under Section 10.1 above.

10.3 Liability for Injury and Damage. Licensee agrees that it shall be solely responsible to third parties for all injuries and damages arising with respect to all of the Licensed Items it sells or distributes to third parties after the date of this agreement and with respect to Licensee's operations after the date of this agreement. Licensor agrees that is shall be solely responsible to third parties for all injuries and damage arising with respect to all of the Licensed Items it sells or distributes to third parties on or before the date of this agreement and with respect to Licensor's operations on or before the date of this agreement.

10.4 Notice of Claim. Any party intending to seek indemnification from another party hereunder for the claim or demand of a third party shall notify the other party of said claim or demand within ten (10) days of the indemnified party's initial receipt thereof after which the indemnifying party shall be entitled to respond to and/or defend against said claim or demand on behalf of the indemnified party as well as itself. If the indemnified party shall not advise the indemnifying party of its intention to respond to or defend against said claim or demand within twenty (20) days thereafter, the indemnified party shall thereafter be entitled to respond to, defend against and/or settle

said claim or demand on its own behalf and to include the costs thereof in its claim for indemnification against the indemnifying party hereunder.

10.5 Limitation on Liability. Licensee agrees that the maximum liability of Licensor and Shareholder to Licensee with respect to all claims of any nature arising hereunder or as a result of any transaction contemplated herein shall be limited to the amount not yet payable by Licensee to Licensor hereunder and to Licensor and Shareholder under any other agreements among or between them and any amount previously properly deposited in escrow pursuant to Section 10.1 above or any similar such provision of any of the other agreements among or between the parties hereto.

ARTICLE 11

INFRINGEMENT

11.1 Infringement by Others. During the term of this Agreement, Licensee shall notify Licensor immediately in writing of any actual or alleged patent, trademark or other infringement discovered by Licensee which, if continued, might affect Licensee's rights hereunder. If, after such notice, Licensor does not file suit or cause such alleged infringement to cease within a period of thirty (30) days after the date of such notice, then Licensee shall have the right to bring suit to cause such alleged infringement to cease. In the event that a party shall bring suit under this Section 11.1, such party shall consult with the other party regarding prosecution of such suit including, without limitation, matters such as choice of counsel and strategy.

Following such consultation and assuming that no reasonable good faith objection can be made to the prosecution of such suit, the other party shall join as a party to such suit, execute all necessary documents, and reasonably cooperate in the prosecution of such suit. All costs, disbursements and other reasonable expenses of any such suit arising prior to Licensee giving notice of the exercise of its option to purchase the Licensed Items pursuant to Article 6 above shall be borne by Licensor. All such costs arising after Licensee shall have delivered notice of the exercise of its option to purchase the Licensed Items shall be paid solely by Licensee. Any damages recovered in such suit shall first be applied in reimbursement of the reasonable expenses incurred in prosecuting such suit with any remainder being paid to and retained by the party to whom such damages were awarded.

11.2 Infringement by Licensed Items. Notwithstanding any other provision of this agreement, Licensor shall at its sole cost and expense defend any and all patent, trademark, and other infringement claims and suits that may be brought against it or Licensee with regard to any of the Licensed Items at any time during the term of this agreement or within two (2) years following the termination of this agreement for any reason other than as provided in Sections 5.2 and 5.3 above. Licensor shall not have any obligation to defend Licensee with respect to any such suit if this agreement shall have been terminated as provided in Sections 5.2 and 5.3 above.

ARTICLE 12

MISCELLANEOUS

12.1 Assignment. Licensor may assign, in whole or in part, any of its rights and interests under this agreement; except that no assignment by Licensor will be binding upon Licensee until Licensee receives written notice thereof from Licensor. Licensee may, in the reasonable exercise of its discretion, assign, license, sublicense, franchise, transfer, pledge, hypothecate, or make any other disposition of its rights under this agreement, may appoint distributors for the Products and may have the Products manufactured anywhere. Any such action by Licensee shall not relieve Licensee from any of its obligations hereunder.

12.2 Notices. All notices given under this agreement shall be in writing and shall be deemed to have been properly sent when addressed as follows:

To Licensor
and/or Shareholder: Mr. Gary Barna
Brightboy Abrasives, Inc.
351-365 Sixth Avenue
P.O. Box 7060
Newark, New Jersey 07107

with a copy to: Robert S. Marcus, Esq.
Stern, Dubrow & Marcus
A Professional Corporation
111 Dunnell Road
Maplewood, New Jersey 07040-2689

To Licensee: Mr. A. Ricker McCasland
Cratex Manufacturing Co., Inc.
518 Stone Road
Benicia, California 94510

with a copy to: Marion L. Brown, Esq.
Carr, McClellan, Ingersoll,
Thompson & Horn
216 Park Road
Burlingame, California 94010

All notices shall be sent via United States Mail, registered or certified, return receipt requested, or via Federal Express or other similar overnight courier service, or by FAX, telex or other documented electronic means (provided the addressee is equipped to receive the same). The date of service shall be the earlier of: (i) the date the notice is actually received by the addressee; or (ii) the third (3rd) business day after the date on which such notice is deposited in the United States Mail or delivered to such courier service, properly addressed. Either party may give written notice of a change of address, and after notice of such change has been received, any notice thereafter shall be given to such party as provided above at such changed address.

12.3 Construction. This agreement shall be considered wholly executed and delivered within the State of California and shall be interpreted and enforced in accordance with the laws of the State of California. The headings of Articles and Sections in this agreement are included for convenience only and shall not be considered in construing this agreement. Any controversy or claim arising out of, or relating to, this agreement, or the making, performance or interpretation thereof, shall be settled by arbitration in accordance with the Rules of the American Arbitration Association then existing, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy. Arbitration shall take place in the county and state in which the defendant (respondent) maintains its principal office or resides.

12.4 Extraneous Writings. This agreement sets forth the entire agreement and understanding between the parties as to the subject matter of this agreement and merges and supersedes all prior discussions and writings between them. None of the parties shall be bound by any condition, definition, warranty or representation with respect to the subject matter of this agreement, other than as expressly provided in this agreement, or as duly set forth on or after the date hereof in a writing signed by or on behalf of the party to be bound thereby.

12.5 Severability. The provisions of this agreement are severable. If any provision of this agreement is held to be invalid or unenforceable, the remainder shall continue in full force and effect.

12.6 Arbitration and Litigation Expenses. In the event of any arbitration or judicial proceeding based upon or arising out of this agreement, the prevailing party shall be entitled to recover reasonable attorneys, accountants and expert witness fees and costs incurred in that arbitration or proceeding in addition to any other relief to which such party may be entitled.

12.7 Consent to Representation. Licensee consents to Stern, Dubrow & Marcus, a Professional Corporation, representing Licensor and/or Shareholder with respect to the preparation and execution of this agreement and any dispute which may hereafter arise between any parties hereto notwithstanding the designation of an attorney-at-law in said law firm as an escrow agent hereunder. Licensor and Shareholder consent to Carr, McClellan,

Ingersoll, Thompson & Horn, Esqs., representing Licensee with respect to the preparation and execution of this agreement and any dispute which may hereafter arise between any parties hereto notwithstanding the designation of an attorney-at-law in said law firm as an escrow agent hereunder.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed as of the date first above written.

BRIGHTBOY ABRASIVES, INC.,
Licensor

By: 
Gary Barna, President


GARY BARNA, Shareholder

CRATEX MANUFACTURING CO.,
INC., Licensee


By: 
A. Ricker McCasland,
President

EXHIBIT A

Products

1. All products now manufactured or sold by Licensor under the trade name "Brightboy".
2. All products now manufactured or sold by Licensor under the trade name "He-Man".

EXHIBIT B

Technology

1. All technology, know-how, formulae and procedures necessary for or in any way relating to the manufacture of Brightboy products and He-Man products.

EXHIBIT C

Trade Names

1. Brightboy (registered)
2. He-Man (unregistered)

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EXHIBIT D

STATEMENT OF DISCLOSURES, REPRESENTATIONS AND WARRANTIES

This Statement of Disclosures, Representations and Warranties is dated for reference purposes and effective February 8, 1991, and made as an inducement to CRATEX MANUFACTURING CO., INC., a California corporation ("Cratex"), to enter into a certain License Agreement ("License Agreement") with BRIGHTBOY ABRASIVES, INC., a New Jersey corporation ("Brightboy"), and GARY BARNA, an individual, ("Shareholder"), regarding certain products (defined in the License Agreement as the "Products"), technology (defined in the License Agreement as the "Technology") and trade names (defined in the License Agreement as the "Trade Names"). The Products, Technology and Trade Names are collectively referred to as the "Licensed Items".

Brightboy and Shareholder jointly and severally hereby disclose, represent and warrant as follows:

1. ORGANIZATION, STANDING AND QUALIFICATION OF BRIGHTBOY. Brightboy is a corporation duly organized, validly existing, and in good standing under the laws of New Jersey, has all necessary corporate powers to own its properties and to carry on its business as now owned and operated by it, and is duly qualified to do intrastate business and is in good standing in the jurisdictions in which the nature of Brightboy's business or its properties makes such qualification necessary.

2. FINANCIAL STATEMENTS. The attached Disclosure Schedule 2 sets forth the unaudited balance sheets of Brightboy as of November 30, 1988, and the related statements of income and cash flow for the three years ending on those dates. The attached Disclosure Schedule 2 also sets forth the unaudited balance sheet of Brightboy as of November 30, 1989 (the "Balance Sheet Date"), together with related unaudited statements of income and cash flow for the year ending on such date as well as monthly sales through November 30, 1990. The financial statements in Disclosure Schedule 2 are hereinafter referred to as the "Financial Statements". The Financial Statements have been prepared in accordance with generally accepted accounting principles (except as otherwise noted therein) consistently followed by Brightboy throughout the periods indicated and fully and fairly present the financial position of Brightboy as of the respective dates of the balance sheets included in the Financial Statements, and the results of its operations for the respective periods indicated.

3. ABSENCE OF SPECIFIED CHANGES. Since the Balance Sheet Date and up to the date of the execution of the agreement to which this is attached, there has been no:

a. Transaction by Brightboy except in the ordinary course of business;

b. Destruction, damage to, or loss of any asset of Brightboy (whether or not covered by insurance) that materially and adversely affects the financial condition, business, or prospects of Brightboy;

c. Change in accounting methods or practices (including, without limitation, any change in depreciation or amortization policies or rates) by Brightboy;

d. Revaluation by Brightboy of any material asset, except in the ordinary course of business;

e. Sale or transfer of any asset of Brightboy, except in the ordinary course of business;

f. Amendment or termination of any contract, agreement, or license to which Brightboy is a party, other than in the ordinary course of business;

g. Mortgage, pledge, or other encumbrance of any material asset of Brightboy;

h. Waiver or release of any right or claim of Brightboy except in the ordinary course of business;

i. Other event or condition of any character that has or might reasonably have a material and adverse effect on the financial condition, business or assets of Brightboy;

j. Agreement by Brightboy to do any of the things described in the preceding clauses (a) through (i).

4. TAX RETURNS AND AUDITS. Within the times and in the manner prescribed by law, Brightboy has filed all federal, state, and local tax returns required by law and has paid all taxes, assessments, and penalties due and payable other than 1990 real property taxes due to the City of Newark, New Jersey and its 1989 and 1990 federal and state corporation income tax returns. None of the federal income tax returns of Brightboy are presently being audited by the Internal Revenue Service. There are no present disputes as to taxes of any nature payable by Brightboy other than real property taxes due to the City of Newark, New Jersey. For any and all prior periods, whether or not disputed, Brightboy's

provisions for taxes are adequate as reflected on Brightboy's balance sheet as of the Balance Sheet Date.

5. INVENTORY. The inventory of finished goods shown on the balance sheet of Brightboy as of the Balance Sheet Date included in the Financial Statements consist of items of a quality and quantity usable and saleable in the ordinary course of business by Brightboy except for obsolete and slow-moving items and items below standard quality, all of which have since been written down on the books of Brightboy to net realizable market value or have been provided for by adequate reserves. All items included in the inventories are the property of Brightboy except for sales made in the ordinary course of business since the Balance Sheet Date. The inventories shown on all the balance sheets included in the Financial Statements are based on quantities determined by physical count or measurement, taken within the preceding 12 months, and are valued at the lower of cost (determined on a first-in, first-out basis) or market value and on a basis consistent with that of prior years.

6. OTHER TANGIBLE PERSONAL PROPERTY. All of the machinery, equipment, tools, dies, molds, drawings and other tangible personal property used by Brightboy in the production of the Products are owned by Brightboy and located at its plant in Newark, New Jersey. All raw materials used by Brightboy are available from one or more domestic suppliers and are listed on Disclosure Schedule 6 annexed hereto.

7. TRADE NAMES, TRADEMARKS, COPYRIGHTS AND PATENTS. The Licensed Items do not infringe on any trade name, trademark, service mark or copyright belonging to any other person, firm, or corporation. A schedule of all trade names, trademarks, service marks and copyrights and their registrations, owned by Brightboy or in which it has any right or license is set forth as Exhibit C to the attached agreement. Brightboy is not a party to any license, agreement or arrangement, whether as licensor, licensee or otherwise, with respect to any trademark, service mark, trade name or copyright necessary for its businesses as now conducted by it (including without limitation those listed in Exhibit C), and to the best of its knowledge, Brightboy's use of any item listed in Exhibit C does not, and will not, conflict with, infringe on or otherwise violate any rights of others. There are no patents or patent applications relating to the Licensed Items.

8. TRADE SECRETS. A true and complete list, without extensive or revealing descriptions, of Brightboy's trade secrets, (the "Trade Secrets"), is set forth in attached Disclosure Schedule 8 and all of which are maintained in the corporation's principal office in Newark, New Jersey. Documentation for each Trade Secret is accurate and sufficient in detail and content to identify and explain it, and to allow its full and proper use by Cratex. To the best of its knowledge, Brightboy has taken all reasonable security

measures to protect the secrecy, confidentiality, and value of the Trade Secrets; its employees and any other person who, either alone or in concert with others, developed, invented, discovered, derived, programmed, or designed any Trade Secret, or who has knowledge of or access to information relating to them, has been put on notice that these secrets are proprietary to Brightboy and not to be divulged. Brightboy has the right to use all Trade Secrets, processes and formulae that are necessary to produce the Products which use does not infringe on or violate any patent or other right of another person or entity.

9. TITLE TO ASSETS. Brightboy has good and marketable title to all of the Licensed Items. All of the Licensed Items are free and clear of mortgages, liens, pledges, charges, encumbrances, equities, claims, restrictions, leases, or consignments. All of the Licensed Items are in the possession of Brightboy.

10. LITIGATION. There is no suit, action, arbitration, legal, administrative or other proceeding, or governmental investigation pending or threatened, to the best of Brightboy's knowledge against or affecting Brightboy or its business, assets, or financial condition, except as set forth in attached Disclosure Schedule 10. Upon request, Brightboy will furnish to Cratex a copy of all relevant court papers and other documents relating to the matters set forth in Disclosure Schedule 10. Brightboy is not in default with respect to any order, writ, injunction, or decree of any federal, state, local, or foreign court, department, agency, or instrumentality.

11. LICENSE AGREEMENT WILL NOT CAUSE BREACH OR VIOLATION. The consummation of the transactions contemplated by the License Agreement will not result in or constitute any of the following: (i) a default or an event that, with notice or lapse of time or both, would be a default, breach, or violation of the charter document or bylaws of Brightboy or any lease, license, promissory note, conditional sales contract, commitment, indenture, mortgage, deed of trust, or other agreement, instrument, or arrangement to which Brightboy is a party or by which Brightboy or its property is bound; (ii) an event that would permit any party to terminate any agreement or to accelerate the maturity of any indebtedness or other obligation of Brightboy; (iii) the creation or imposition of any lien, charge, or encumbrance on any of the properties of Brightboy; or (iv) cause Cratex to incur any liability to or on account of any employee of Brightboy pursuant to its existing collective bargaining agreement.

12. AUTHORITY AND CONSENTS. Brightboy has the right, power, legal capacity, and authority to enter into, and perform its obligations under the agreement to which this is attached, and no approval or consent of any person other than the Board of Directors and Sole Shareholder of Brightboy is necessary in connection with it. The execution and delivery of the agreement to

which this is attached by Brightboy has been duly authorized by all necessary corporate action.

13. INTEREST IN CUSTOMERS, SUPPLIERS, AND COMPETITORS.

No officer, director, or shareholder of Brightboy, nor any spouse or child of any of them, has any direct or indirect interest in any competitor, supplier, or customer of Brightboy other than for securities owned by said individuals in publicly traded entities. Brightboy is not aware of any customer's intent to materially alter the amount of business that it has done with Brightboy within the past year other than for changes in orders arising in the ordinary course of business. No individual customer of Brightboy has purchased more than ten (10%) percent of Brightboy's total sales within each of the last three (3) years. Brightboy is not a party to any distributor's, manufacture's representative, agency, output or requirement's agreement or any other agreement materially affecting the Licensed Items.

14. OVERSHIPMENTS, DEFECTS AND RETURNS. There are no claims pending against Brightboy to return in excess of an aggregate of Two Thousand (\$2,000) Dollars of Products by reason of alleged overshipment, defect, or otherwise, or pursuant to an understanding that such Products would be returnable.

15. FULL DISCLOSURE. None of the representations and warranties made by Brightboy, or made in any certificate or memorandum furnished or to be furnished by Brightboy or on its behalf, contains or will contain any untrue statement of a material fact, or omits any material fact the omission of which would be adversely misleading.

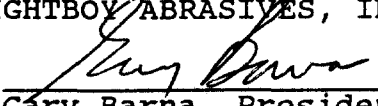
16. NO CONFLICTING LICENSES. Brightboy has not granted and shall not during the term of the License Agreement grant to any other person or entity any conflicting right, license, title, interest or privilege in or to any of the Licensed Items.

17. JUDGMENTS. There are no judgments or unsatisfied settlements outstanding against Brightboy nor any material pending claims relating to any of the Licensed Items.

18. COMPLIANCE WITH LAWS. To the best of its knowledge, Brightboy's production of the Products and use of the other Licensed Items are in substantial compliance with all applicable laws and regulations.

IN WITNESS WHEREOF, Brightboy and Shareholder have
executed this Statement.

BRIGHTBOY ABRASIVES, INC.

By: 
Gary Barna, President

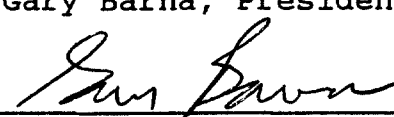

GARY BARNA

EXHIBIT D
DISCLOSURE SCHEDULES

- 2. Financial Statements
- 6. Raw Materials
- 8. Trade Secrets
- 10. Litigation

DISCLOSURE SCHEDULE 6
RAW MATERIALS

The following is a listing of all raw materials used in the manufacturing of Brightboy and He-Man products:

- | | |
|----------------------------|-----------------------------------|
| 1. Furfural | 31. Antimony Saluhide Crimson |
| 2. Chrome Green Oxide | 32. Varcum Synthetic Resin |
| 3. Vacuum Durez Resin | 33. Durite Liquid |
| 4. 012 Resin | 34. Durite Liquid |
| 5. Hycar 503 H | 35. Sunthene |
| 6. Zinc Oxide RR | 36. Black - MB - 644 |
| 7. White Barytes 104 | 37. Blue - MB - 524 |
| 8. Hi Fibe 990 | 38. M.E.K. |
| 9. Titanium Dioxide | 39. ALO Reg. #36 & 46 Brown |
| 10. Marblewhite 325 | 40. ALO Reg. #54, 60, 70, & 80 |
| 11. Sulphur 90 B | 41. ALO Reg. #120 & 180 Brown |
| 12. 30% "D" Lithopone | 42. SIC #70 & 80 Black |
| 13. Hydrated Lime LM-1101 | 43. SIC #90, 100, 180, & 220 |
| 14. Zinc Stearate "S" | 44. ALO Reg. #36, 46, & 54 |
| 15. Neoprene WRT | 45. ALO Reg. #60, 70, & 80 |
| 16. Neobrene GNA | 46. ALO Reg. #90, 120, 180, & 220 |
| 17. Vandx Accelerator 808 | 47. SIC #70 & 80 |
| 18. Agerite Stalite "S" | 48. SIC Grit 70 |
| 19. Altax Powder | 49. SIC Black Abrasive Grain |
| 20. Dixie Clay | 50. Cov-Rol |
| 21. Natural Rubber No. 1 | 51. Cumar Mix |
| 22. Maglide "D" | 52. Stabwhite 4667-88-0 |
| 23. Red Iron Oxide R-2199 | 53. AB White 25 |
| 24. Poly Dispersion END | 54. AB White 50 |
| 25. Kryolite "E" | 55. Liquid Plastone |
| 26. Blended Rubber Solvent | 56. White Factice 50 |
| 27. Barytes | 57. HEXA 102 |
| 28. Spider Sulphur | 58. Chlorothene SM Solvent |
| 29. Shellac | 59. "F" Pumice |
| 30. Cello Sheets | 60. "FFF" Pumice |
| | 61. 1 1/2 Pumice |
| | 62. 2 Pumice |
| | 63. 2 1/2 Pumice |

Exhibit D-10 - Litigation

1. Civil action in Indiana for personal injuries entitled: Dennis Slaven vs. Brightboy Abrasives, Inc. - Date of Claim 7/26/84.

Brightboy Abrasives, Inc. is being defended by its insurance carrier which may have settled this case without advising Brightboy Abrasives, Inc.

DISCLOSURE SCHEDULE 8

TRADE SECRETS

Formulae and procedures for manufacturing all Brightboy and He-Man products.

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ASSIGNMENT

WHEREAS, Brightboy Abrasives, Inc., a New Jersey corporation with offices at 351-365 6th Avenue, Newark, New Jersey 07102 (hereinafter called "Brightboy") is the owner of a certain trademark registered as No. 1,623,195 in the United States Patent and Trademark Office; and

WHEREAS, Cratex Manufacturing Co., Inc., a California corporation with offices at 518 Stone Road, Benicia, California 94510 (hereinafter called "Cratex") is desirous of acquiring the trademark and registration thereof.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Brightboy does hereby assign unto the said Cratex all of its right, title and interest in and to Trademark Registration No. 1,623,195 together with the goodwill of the business symbolized by said mark and the registration thereof.

Dated: March 8, 1991

BRIGHTBOY ABRASIVES, INC.,
a New Jersey corporation

By: _____

Gary S. Barna, President

STATE OF NEW JERSEY)

: SS:

COUNTY OF ESSEX)

BE IT REMEMBERED, that on this 8th day of March, 1991, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared Gary S. Barna, President of Brightboy Abrasives, Inc., a New Jersey corporation, who, I am satisfied, is the person named in and who executed the within Assignment, and thereupon he acknowledged that he signed sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.

MARIA TANSITO

A Notary Public of New Jersey

My Commission Expires December 21, 1994

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— — —

WHEREAS, Cratex Manufacturing Co., Inc., a California corporation with offices at 518 Stone Road, Benicia, California 94510 (hereinafter called "Cratex") is desirous of acquiring all of Brightboy's rights, if any, in said tradename;

Dated: March 8, 1991

By: Gary S. Barna
Gary S. Barna, President

STATE OF NEW JERSEY)
COUNTY OF ESSEX) : SS:

BE IT REMEMBERED, that on this 8th day of March, 1991, before me, the subscriber, a Notary Public of the State of New Jersey, personally appeared Gary S. Barna, President of Brightboy Abrasives, Inc., a New Jersey corporation, who, I am satisfied, is the person named in and who executed the within Assignment, and thereupon he acknowledged that he signed sealed and delivered the same as his voluntary act and deed, for the uses and purposes therein expressed.


Wm. Lusk

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ATTACHMENT A

REQUEST FOR INFORMATION

1. In your response to the earlier 104(e) Request for Information, you stated that Cratex had purchased "certain assets" from Brightboy Abrasives, which operated in Newark, New Jersey. Please identify all assets that you purchased from Brightboy Abrasives.
2. Please provide all documents relating to the purchase of these assets, including the sales agreement.
3. Did you purchase the assets prior to, during or after the bankruptcy of Brightboy Abrasives?

 - Pres.
CRATEX LIFE CO., INC.
8/21/00

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